UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

March 28, 2018

Elizabeth A. Ising
Gibson, Dunn & Crutcher LLP
shareholderproposals@gibsondunn.com

Re: Chevron Corporation
Incoming letter dated January 19, 2018

Dear Ms. Ising:

This letter is in response to your correspondence dated January 19, 2018 concerning the shareholder proposal (the "Proposal") submitted to Chevron Corporation (the "Company") by Betsy L. Krieger et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on behalf of Betsy L. Krieger dated February 20, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Sanford Lewis
sanfordlewis@strategiccounsel.net

March 28, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Chevron Corporation
Incoming letter dated January 19, 2018

The Proposal requests a report describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Caleb French
Attorney-Adviser

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

SANFORD J. LEWIS, ATTORNEY

February 20, 2018
Via electronic mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Chevron Inc. Regarding Low Carbon Business Model on Behalf of Betsy Krieger

Ladies and Gentlemen:

Betsy Krieger (the "Proponent") is beneficial owner of common stock of Chevron Inc. (the "Company") and has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the letter dated January 19, 2018 ("Company Letter") sent to the Securities and Exchange Commission by Elizabeth A. Ising of Gibson Dunn & Crutcher LLP. In that letter, the Company contends that the Proposal may be excluded from the Company's 2017 proxy statement by virtue of Rule 14a-8(i)(7).

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, the Proposal is not excludable by virtue of those rules and therefore must be included in the Company's 2018 proxy materials. A copy of this letter is being emailed concurrently to Elizabeth A. Ising.

SUMMARY

The Proposal requests that Chevron issue a report with board oversight, describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

The Company Letter asserts that because the Company is a defendant in tort litigation relating to its historic role in climate change, the current Proposal on prospective business strategies can be excluded. Staff precedents and the facts of the matter at hand support non-exclusion. Companies have long sought immunity from any proposals that broadly touch on the subject matter of pending litigation, an approach that has been rejected by the Staff.

The Proposal here does not attempt to micromanage the company's litigation strategy nor seek

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undisclosed information that is at the crux of the litigation (fault for climate change that has caused Plaintiffs' harm), nor otherwise disclose information related to the Company's past sale of fossil fuel products responsible for climate change.

The Proposal addresses the potential for proactive company responses on a very significant policy issue of recognized interest and concern to investors – how the company is addressing the technological, regulatory, and market changes associated with climate change and a rapidly decarbonizing economy. The Proposal seeks a report on prospective strategies for responding to the disruptive, climate-related changes that are occurring in the economy.

The historic role of the Company's products and activities in contributing to climate change is well known and acknowledged by the Company, is the crux of the litigation, but not the subject matter of the Proposal. The Proposal does not seek information related to the Company's past sales of fossil fuel products or the retrospective issues of fault that are at the heart of the litigation. Therefore, the Proposal is not excludable under Rule 14a-8(i)(7).

THE PROPOSAL

Low Carbon Business Model

WHEREAS: A global transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. Major oil companies face unprecedented disruption to their business model driven by global imperatives to limit global warming to well below 2 degrees Celsius and a resulting growth in low- and non-carbon-emitting technologies and energy sources.

Goldman Sachs pegs the low carbon economy at a $600 billion-plus revenue opportunity, estimating that solar PV and wind will add more to the global energy supply between 2015 and 2020 than shale oil production did between 2010 and 2015.

Low carbon market forces, including competition from electric cars, will be a "resoundingly negative" threat to the oil industry. The CEOs of Statoil and Shell have predicted that peak oil demand may occur as early as the 2020s. Citigroup estimates the value of unburnable fossil fuel reserves could reach $100 trillion through 2050. In 2016, Fitch Ratings urged energy companies to plan for "radical change."

A failure to plan for this transition may place investor capital at substantial risk. Carbon Tracker (CTI) estimates 30 to 40 percent of Chevron's potential upstream capex through 2035 is outside the Paris Agreement's goal of less than 2 degrees global warming. CTI notes 2.3 trillion of industry-wide upstream projects are inconsistent with global commitments to limit climate change and rapid advances in clean technologies.

While Chevron has recently slowed capital expenditures in the face of lower oil prices, a decade

of historic spending on high cost, high carbon assets has made our company vulnerable[1] to further downturns in demand and falling oil prices. Global climate action and low carbon technological advancements make it vital that our company transition its business plan to remain successful in an increasingly decarbonizing economy.

Peers including Total, Shell, and Statoil have already begun investing in clean energy projects including wind, solar, and renewables storage. In 2016, oil major investments in clean energy more than doubled. Total has a stated goal to increase renewable and low carbon businesses to 20 percent of the company's portfolio and made the largest number of investments in clean energy companies in 2016. By 2020, Shell plans to spend approximately 1 billion dollars annually to adapt to the transition toward renewable power and electric cars. Statoil has established a new energy unit to capitalize on the growing renewable energy sector.

RESOLVED: With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

ANALYSIS

The Proposal is not excludable under Rule 14a-8(i)(7).

The Company Letter asserts that the Proposal is excludable because the Company is one of several fossil fuel companies being sued for their historic role in causing climate change:

> …. the Company is one of many defendants in eight lawsuits recently filed in multiple jurisdictions across the United States by several cities and counties (the "Plaintiffs") who seek relief for alleged climate change injuries…In sum, the Plaintiffs allege that the Company is liable under state tort law related to its production, promotion, and sale of fossil fuels, and further allege that the Company should have historically altered its business model to transition away from fossil fuels, and that they have suffered damages due to the Company's failure to do so.

A proposal that attempts to ***dictate a firm's litigation strategy*** is considered by the Staff to entail micromanagement by shareholders on a subject matter that is outside of their expertise. Proposals that ask a company to settle or file litigation, or quantify liability in ongoing litigation,

[1] See https://www.asyousow.org/ays_report/unconventional-risks-the-growing-uncertainty-of-oil-investments/

have also been found to be excludable in Staff decisions.[2] In these instances, the excluded proposals dealt with management of issues of a complex nature (pending litigation) about which stockholders, as a group, are not qualified to make informed business decisions. In effect, these are decisions reserved to deliberation between board and management and their counsel. So, for instance, a proposal that attempted to direct Exxon Mobil's settlement in the Valdez oil spill was excludable. *Exxon Mobil Corp.* (avail. Mar. 21, 2000) (concurring with the exclusion of a proposal requesting immediate payment of settlements associated with oil spill as relating to litigation strategy and related decisions).

The current Proposal does not fit into this group of precedents, as it does not attempt to micromanage the Company's litigation strategy. It does not ask for information on the litigation, make recommendations as to how the litigation should be defended, or ask for information on the litigation's resolution or repercussions.

As referenced in the Company Letter, the Staff has sometimes been asked by companies to allow exclusion of proposals that are not addressed to litigation strategy, but where the fulfillment of the proposal's request might involve a statement or admission by the company that could prove useful to plaintiffs in current litigation. This category of potential exclusions could easily encompass **all** shareholder proposals that address significant societal issues. Inevitably, in most instances in which companies are faced with significant social policy issues, the controversies also are raised in the courts. If the Staff were to allow exclusion of resolutions because they might lead to some kind of statement that might be useful in ongoing litigation, this would have the effect of giving companies a pass on proposals on the most critical issues facing their businesses. As importantly, it would deprive investors of access to the shareholder proposal process for attention to the most significant issues facing their companies.

Accordingly, the Staff rulings on shareholder resolutions that might involve some form of "admission" have been narrowly circumscribed to apply only where the resolutions cross the line into requiring the company to do something that is pointedly inconsistent with defense of litigation, including reporting undisclosed information that is at the heart or crux of the litigation, such as admitting to liability or fault. In contrast, where acting on a proposal on significant policy issues of legitimate concern to investors, even if the proposal may potentially make some non-core admission or information available for plaintiffs, the Staff routinely rejects exclusion.

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[2] *Chevron Corp.* (Mar. 19, 2013) requesting company review of "legal initiatives against investors"; *CMS Energy Corp*. (Feb. 23, 2004) requiring the company to void any agreements with two former members of management and initiate action to recover all amounts paid to them; *NetCurrents, Inc.* (May 8, 2001) requesting the company to file suit against certain of its officers for financial improprieties); *Benihana National Corp.* (avail. Sept. 13, 1991) report prepared by a board committee analyzing claims asserted in a pending lawsuit). In contrast, proposals that ask for an accounting of expenditures on a company issue, including attorneys' fees related to litigation, are not excludable, because they represent a reasonable form of shareholder oversight. For example, in *General Electric* (Feb. 2, 2004), the Staff rejected an ordinary business argument against a proposal calling on management to report its annual expenditures on various expenses related to the remediation, and other health and environmental impacts, of sites contaminated by PCBs. In that case, litigation related to the cleanup operations was ongoing, and the proposal explicitly requested information on GE's spending "on attorney's fees [and] expert fees.

The instances in which exclusions have been allowed involved proposals requiring a company to make an admission or concession of a *core contested fact in litigation* - for example, taking responsibility for a harm that the company has not already agreed exists.

An instance where the company met its burden of proving that the proposal addressed the crux of the litigation was in Wal-Mart Stores. Inc. (April 14, 2015). The proposal urged the board to set a goal of eliminating gender-based pay inequity at the company in the United States and report annually to shareholders on actions taken and progress made toward that goal. The report requested the company include data for each grade/range regarding the proportion of male and female employees, the average annual hours worked by male and female employees, and the average hourly wage rate or annual compensation paid to male and female employees in the U.S. in the most recently completed fiscal year. The company in that instance had provided evidence that the disclosure sought by the proposal would constitute an admission in the regional lawsuits filed in a series of "regional" class actions. The individual plaintiffs in those putative class actions continue to allege Company-wide gender-based pay disparities, which the company denied existed.

Similarly, in *Johnson & Johnson* (Feb. 14, 2012), the Proposal would have required the company to address the "health and social welfare concerns of people *harmed by adverse effects from Levaquin*," one of the Company's pharmaceutical products. The company was in litigation about precisely *whether its products caused adverse effects*. As the Company noted, the report requested in the proposal would have required a report on the very matter being litigated—"adverse effects from" the company's product.

In *General Electric Co.* (Feb. 3, 2016) the proposal requested a report quantifying the company's *liabilities associated with* discharge of chemicals into the Hudson River, while the company was a defendant in multiple pending lawsuits where those liabilities were at issue. *Quantifying liabilities* spoke directly to the outcome of the litigation.

In Reynolds American Inc. (Feb. 10, 2006) Reynolds Tobacco and other tobacco manufacturers were currently defendants in a suit alleging the use of menthol cigarettes by the African American community poses unique health risks to this community. The suit includes the specific allegation that the defendant tobacco manufacturers "predominately market mentholated cigarettes to African Americans despite, … conclusions … that menthol may promote deeper inhalation and … cause, aggravate or contribute to … higher addiction rates in African Americans." The proposal asked the company to voluntarily undertake a campaign aimed at African Americans apprising them of the unique health hazards to them associated with smoking menthol cigarettes including data showing the industry descriptors such as "light" and "ultralight" do not mean those who smoke such brands will be any less likely to incur diseases than those who smoke regular brands. he specificity of the proposal, going to the narrow liability issue of whether there were "unique health hazards" associated with African-Americans smoking menthol cigarettes, which was being contested by the company in the litigation, made these requested affirmations effectively go to the core of the litigation.

In contrast, in decisions where the Staff declined to allow exclusion some combination of the following factors were involved:

- despite the subject matter of the proposal touching on ongoing litigation, the proposals appropriately focused on a significant social policy issue of substantial and appropriate investor interest

- the societal impacts (emissions, health effects etc.) caused by the company's actions were well known

- the crux of the litigation was retrospectively focused while the proposal was prospective in its assessments and actions, and the subject matter of the proposal did not address issues of fault.

For instance, in *The Dow Chemical Company* (February 11, 2004) the ongoing litigation was a civil suit for remediation relating to the Bhopal disaster pending in the Southern District of New York; there was also a criminal action against Dow/Union Carbide pending in India. The proposal requested that the management of Dow Chemical prepare *a report to shareholders describing new initiatives instituted by the management to address the specific health, environmental and social concerns of the survivors of the Bhopal tragedy*. Even though the company argued that "the Proposal asks the Company to effect an action that is precisely what the Company's subsidiary is arguing in the pending litigation that it has no obligation to do...," as in the present case, the Staff found that the issues that the proposal would have touched upon did not go to the issues of fault that were the crux of the litigation.

In contrast to the menthol cigarettes proposal described above, in *R.J. Reynolds Tobacco Holdings, Inc. (* March 7, 2002), the Staff found a proposal not excludable despite its extensive recommendations for disclosure on cigarette packages making information known regarding 'cigarette price, brand availability and average tar and nicotine yields' and asking that every package of our tobacco products include full and truthful information regarding ingredients that may be harmful to the consumer's health, the toxicity of the specific brand, and what detriment to life-expectancy the consumer may expect to incur from regular use of the product, as well as the health hazards for others, especially children, connected with environmental tobacco smoke. In this instance, even though there was ongoing litigation about harm associated with cigarettes, all of the information sought by the proposal was readily available in public records and scientific literature and did not require any admission by the company.

In *RJ Reynolds* (March 7, 2000) the resolution called for RJR Nabisco to create an independent committee to investigate retail placement of tobacco products, in an effort to prevent theft by minors. The company argued that due to two current lawsuits (against FDA and the Commonwealth of Massachusetts on regulations on retail placement) the Proposal, if implemented, would interfere with litigation strategy by asking the company to take voluntary action in opposition to its position in the lawsuits. In effect, the Staff found that the creation of an independent committee to investigate the issue of retail placement did not interfere with the

litigation.

In *Philip Morris* (Feb. 14, 2000), the resolution called for management to develop a report for shareholders describing how Philip Morris (PM) intended to address "sicknesses" caused by the company's products and correct the defects in the products that cause these sicknesses. The company argued that the Proposal dealt with matters prominently at issue in numerous lawsuits. Because statements on PM's website essentially admitted that cigarettes cause "sickness," a Proposal asking how the company intended to address such sickness was unlikely to interfere with any litigation strategy, particularly on the issue of fault.

In *American International Group, Inc.* (March 14, 2005) the proposal urged that a committee of independent directors oversee a recently appointed transaction review committee that would be examining AIG's sales practices and report to shareholders its findings and recommendations. The Company had asserted that it may omit the proposal under the ordinary business exclusion because "it relates to the subject matter of litigation in which the Company has been named as a defendant." In support, AIG argued that a comprehensive, company-wide report is excludable when the "subject matter of the proposal is the same or similar to that which is at the heart of litigation in which a registrant is then involved." This approach to the "litigation strategy" argument of exclusion was rejected in that case and in many others where the proposal clearly addressed legitimate concerns and interests of investors rather than being directed at the litigation.

Below, we will demonstrate that the current Proposal meets the various criteria under which Staff decisions have not allowed exclusions even where potential "admissions" might occur as a result of a proposal's request.

The Proposal relates to the substantial social policy issue of climate change and how the company is addressing the disruptive economic and technological developments driven by climate change

The Proposal seeks a report on what prospective strategies the Company has for responding to the climate-related changes occurring economy-wide as regulations, technologies, and the economy respond to climate change.

The environmental conditions resulting from climate change are likely to lead to serious U.S. and worldwide economic impacts. Damage to property and infrastructure, lost productivity, mass migration and security threats are expected to increasingly disrupt and undermine economies for decades ahead. Quantifying the impact of climate change on investments is complex, yet numerous investment management firms and advisory bodies urge investors to consider projecting the impact of climate change on the value of their investments.[3] In particular, companies such as fossil-fuel companies are particularly at risk for disruptive climate related

[3] Keith Wade and Marcus Jennings,"The Impact of Climate Change on the Global Economy". Schroder Investment Management. Available online at http://www.schroders.com/en/sysglobalassets/digital/us/pdfs/the-impact-of-climate-change.pdf.

changes such as stricter regulations, falling demand for fossil fuels, increasing competition from low carbon technologies.

The focus of the proposal is on the disruptive impacts of climate change driven market and technology trends. As discussed[4] in The Financial Times in May 2017:

> **The Big Green Bang: how renewable energy became unstoppable**
> The shift to cleaner power is disrupting entire industries. Will the 21st century be the last one for fossil fuels?
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> ***
>
> After years of hype and false starts, the shift to clean power has begun to accelerate at a pace that has taken the most experienced experts by surprise. Even leaders in the oil and gas sector have been forced to confront an existential question: will the 21st century be the last one for fossil fuels?
>
> It is early, but the evidence is mounting. Wind and solar parks are being built at unprecedented rates, threatening the business models of established power companies. Electric cars that were hard to even buy eight years ago are selling at an exponential rate, in the process driving down the price of batteries that hold the key to unleashing new levels of green growth.
>
> "This clean energy disruption has just started and what is striking is how much of a financial impact it is already having on some companies," says Per Lekander, a portfolio manager at London's Lansdowne Partners hedge fund, who has tracked global energy markets for more than 25 years.
>
> "It hit the electricity sector first, in Europe in 2013 and then the U.S. two years later. Now it has spread to the auto sector and I think the oil industry is next."
>
> The shift has come as increased government efforts to curb climate change and smog have driven down costs and spurred technical advances, creating a green energy industry that looks nothing like it did a decade ago: expensive, sluggish and German.
>
> * ***
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> These advances have become too significant for the oil and gas industry to ignore. In the first three months of this year, the heads of some of the world's largest oil companies have spoken of a "global transformation" (Saudi Aramco) that is "unstoppable" (Royal Dutch Shell) and "reshaping the energy industry" (Statoil). Isabelle Kocher, chief executive of French power and gas group Engie, calls it a new "industrial revolution" that will "bring about a profound change in the way we behave".

[4] Pilita Clark, "The Big Green Bang: how renewable energy became unstoppable: The shift to cleaner power is disrupting entire industries. Will the 21st century be the last one for fossil fuels?" The Financial Times, May 18, 2017.

Investors have a strong and independent interest in the subject matter of the proposal, separate from the litigation.

The current Proposal arises from the recognition that the significant social policy issue of climate change will continue to pose significant economic impacts. It does not arise from and has no relationship to the litigation.

Investors have become increasingly attentive to monitoring and engagement with their portfolio companies on climate mitigation and preparedness. While climate change began in the 1980's as an interest and focus of a few investors, it is now a mainstream concern.

One measure of the intense interest of investors on issues of climate change and associated risk is the growth in support for shareholder proposals seeking climate change-disclosure. For example, in its review of the 2018 proxy season, major investment advising firm ISS Solutions noted that it was aware of 59 filed proposals related to climate change for the 2018 proxy season, including 15 two-degree scenario proposals, and seven on climate change risk management."[5] The two-degree proposals were filed by ten separate main filers. In ISS's analysis, this demonstrates that these filings were not the result of a single campaign, but rather the outcome of a widespread initiative.[6]

Large investors are also demonstrating growing interest via proxy voting. For example, in 2016 and 2017, four of the top ten largest asset managers, together accounting for $12.8 trillion in assets under management, voted for a climate proposal for the first time ever: BlackRock, Vanguard, Fidelity, and American Funds.[7] BlackRock said it backed the 2017 climate resolutions at Exxon and Occidental because the companies weren't sufficiently addressing the issue. "Our patience is not infinite," the firm wrote in a note outlining its engagement strategies with companies for the coming years, which includes climate change.[8] The company further noted in its 2017/2018 Investment Stewardship Engagement Priorities that it would look for "climate competent boards," expecting that for companies in sectors significantly exposed to climate risk, the whole board would have demonstrable fluency in how climate risk affects the business and understanding management's approach to adapting and mitigating the risk.[9] Average support for 2° scenario proposals has grown to 45.4% in 2017, from 38% in 2016, and 23% in 2015. The most pronounced increase in 2017 was at Exxon, where support rocketed to 62.1% from 38.1%

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[5] *Doubling Down on Two-Degrees: The Rise in Support for Climate Risk Proposals* (Harvard CorpGov, Jan 2018).
[6] *Doubling Down on Two-Degrees: The Rise in Support for Climate Risk Proposals* (Harvard CorpGov, Jan 2018).
[7] *"Four Mutual Fund Giants Begin to Address Climate Change Risks in Proxy Votes: How About Your Funds?" Ceres Blog, December 21, 2017. Available online at https://www.ceres.org/news-center/blog/four-mutual-fund-giants-begin-address-climate-change-risks-proxy-votes-how-about.*
[8] *Amy Harder,"Wall Street is Starting to Care about Climate Change", Axios, June 26, 2017. Available online at https://www.axios.com/wall-street-is-starting-to-care-about-climate-change-1513303205-f97cf14c-c921-4ad0-b37a-12832acea4fb.html.*
[9] BlackRock Investment Stewardship Engagement Priorities for 2017-2018. March 2017. Available online at https://www.blackrock.com/corporate/en-br/literature/publication/blk-stewardship-2017-2018-priorities-final.pdf. Page 13.

the prior year.

Prior Staff determinations have settled the question of whether matters pertaining to climate change and greenhouse gas emissions are issues appropriate for investor consideration that transcend ordinary business. See, e.g., *DTE Energy Company* (January 26, 2015), *J.B. Hunt Transport Services, Inc.* (January 12, 2015), *FirstEnergy Corp.* (March 4, 2015) (proposals not excludable as ordinary business because they focused on reducing greenhouse gas emissions GHG and did not seek to micromanage the company); *Devon Energy Corp.* (March 19, 2014), *PNC Financial Services Group, Inc.* (February 13, 2013), *Goldman Sachs Group, Inc.* (February 7, 2011) (proposals not excludable as ordinary business because they focused on significant policy issue of climate change)*; NRG Inc*. (March 12, 2009) (proposal seeking carbon principles report not excludable as ordinary business); *Exxon Mobil Corp.* (March 23, 2007) (proposal asking board to adopt quantitative goals to reduce GHG emissions from the company's products and operations not excludable as ordinary business); *General Electric Co.* (January 31, 2007) (proposal asking board to prepare a global warming report not excludable as ordinary business).

The focus of permissible proposals not excludable under Rule 14a-8(i)(7) includes analysis of and consideration of disruptive technologies driven by climate change that are of concern to particular industries and sectors. For example, the role of distributed energy at utilities. *DTE Energy* (Jan. 26, 2015), *Duke Energy* (February 22, 2016) and *NorthWestern Energy* (January 8, 2016). Renewable energy at fossil fuel companies. *Exxon Mobil Corp.* (March 12, 2007) (proposal asking board to adopt policy significantly increasing renewable energy sourcing globally not excludable as ordinary business). The role of biomass at a utility. *Dominion Resources* (February 27, 2014).

Further, in the SEC's February 8, 2010 Climate Change release (Release Nos. 33-9106; 34-61469; FR-82), "Guidance to Public Companies Regarding the Commission's Existing Disclosure Requirements as they Apply to Climate Change Matters," the Commission explained that climate change had become a topic of intense public discussion as well as significant national and international regulatory activity. This new disclosure guidance was needed, according to the SEC because concern over climate change was leading to "the regulatory, legislative and other developments ….[that could] have a significant effect on operating and financial decisions." This guidance demonstrated that the SEC recognizes climate change as a significant public policy issue affecting companies. To the extent that the Climate Guidance and other initiatives have not produced the needed levels of disclosure at particular companies, the shareholder resolution process provides one of the most important mechanisms for encouraging companies to enhance their disclosure.

Companies are being pushed to take note of growing investor interest around climate change and its impacts, and to plan accordingly. As Broadridge and PriceWaterhouseCooper shared in their *2017 Proxy Season Review:*

> With the growing momentum of ESG proposals in the 2017 proxy season, companies should anticipate that these topics will continue to be high on the agenda in 2018. With the United States withdrawal from the Paris Climate Accord, disclosure requests related to climate change risk are anticipated to be at the forefront. Boards should expect questions from shareholders on how companies are considering climate risk in their strategy and

operations, and how their environmental impact reporting is evolving.[10]

Institutional Shareholder Service's new guidelines on shareholder proposals on climate risk are to "Generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments or on how the company identifies, measures, and manages such risks. . ." [11] Glass Lewis follows a similar path: "We will generally recommend in favor of shareholder resolutions requesting that companies in certain extractive or energy-intensive industries that have increased exposure to climate change-related risks provide information to shareholders concerning their climate change scenario analyses and other climate change related considerations."[12]

The need for improved disclosures in company reporting to investors, including on the resilience issues flagged by the proposal, received a substantial boost in 2017 when the Global Financial Stability Board issued its Task Force on Climate-related Financial Disclosures (TCFD) Final Report. The report focuses on recommendations for disclosure of climate risk in annual financial reports.

In 2015, the G20 (Group of 20) Finance Ministers and Central Bank Governors, an international economic council established to promote international financial stability, requested that its Financial Stability Board (FSB) investigate and address the topic of climate-related financial disclosures. This international body was concerned with the degree to which inadequate information about climate-related risks could lead to mispricing of assets, misallocation of capital, and potentially severe challenges to global financial stability.

The FSB convened a Task Force on Climate-related Financial Disclosures, which over the course of 18-months consulted public- and private-sector business and finance leaders around the globe. In June 2017, the Task Force presented its Final Report to the global investment community, "Recommendations of the Task Force on Climate-related Financial Disclosures." The report offers recommendations for how companies can better disclose clear, comparable and consistent information about the risks and opportunities presented by climate change, in hopes that improved disclosure will lead to more efficient allocation of capital, and help smooth the transition to a low-carbon economy.

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[10] *ProxyPulse 2017 Proxy Season Review*. Broadridge and PwC. Available online at https://www.broadridge.com/_assets/pdf/broadridge-2017-proxy-season-review.pdf. Page 3.
[11] 2018 Americas Proxy Voting Guidelines Updates Benchmark Policy Changes for U.S., Canada, and Brazil, Effective for Meetings on or after February 1, 2018. Institutional Shareholder Services, November 16, 2017. Page 26.
[12] 2018 Proxy Paper Guidelines: An Overview of the Glass Lewis Approach to Proxy Advice. Glass Lewis, 2017. Page 18.

Excerpt from Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures[13]

Financial Implications of Climate Change
One of the most significant, and perhaps most misunderstood, risks that organizations face today relates to climate change. While it is widely recognized that continued emission of greenhouse gases will cause further warming of the planet and this warming could lead to damaging economic and social consequences, the exact timing and severity of physical effects are difficult to estimate. The large-scale and long-term nature of the problem makes it uniquely challenging, especially in the context of economic decision making. Accordingly, many organizations incorrectly perceive the implications of climate change to be long term and, therefore, not necessarily relevant to decisions made today.

The potential impacts of climate change on organizations, however, are not only physical and do not manifest only in the long term. To stem the disastrous effects of climate change within this century, nearly 200 countries agreed in December 2015 to reduce greenhouse gas emissions and accelerate the transition to a lower-carbon economy. The reduction in greenhouse gas emissions implies movement away from fossil fuel energy and related physical assets. **This coupled with rapidly declining costs and increased deployment of clean and energy-efficient technologies could have significant, near-term financial implications for organizations dependent on extracting, producing, and using coal, oil, and natural gas.** While such organizations may face significant climate-related risks, they are not alone. In fact, climate-related risks and the expected transition to a lower-carbon economy affect most economic sectors and industries. While changes associated with a transition to a lower-carbon economy present significant risk, they also create significant opportunities for organizations focused on climate change mitigation and adaptation solutions.

For many investors, climate change poses significant financial challenges and opportunities, now and in the future. The expected transition to a lower-carbon economy is estimated to require around $1 trillion of investments a year for the foreseeable future, generating new investment opportunities. At the same time, the risk-return profile of organizations exposed to climate-related risks may change significantly as such organizations may be more affected by physical impacts of climate change, climate policy, and new technologies. In fact, a 2015 study estimated the value at risk, as a result of climate change, to the total global stock of manageable assets as ranging from $4.2 trillion to $43 trillion between now and the end of the century. The study highlights that "much of the impact on future assets will come through weaker growth and lower asset returns across the board." This suggests investors may not be able to avoid climate-related risks by moving out of certain asset classes as a wide range of asset types could be affected. Both investors and the organizations in which they invest, therefore, should consider their longer-term strategies and most efficient allocation of capital. Organizations that invest in activities that may not be viable in the longer term may be less resilient to the transition to a lower-carbon economy; and their investors will likely experience lower returns. Compounding the effect on longer-term returns is the risk that present valuations do not adequately factor in climate-related risks because of insufficient

[13] https://www.fsb-tcfd.org/publications/

> information. As such, long-term investors need adequate information on how organizations are preparing for a lower-carbon economy.
>
> Furthermore, because the transition to a lower-carbon economy requires significant and, in some cases, disruptive changes across economic sectors and industries in the near term, financial policymakers are interested in the implications for the global financial system, especially in terms of avoiding financial dislocations and sudden losses in asset values. Given such concerns and the potential impact on financial intermediaries and investors, the G20 Finance Ministers and Central Bank Governors asked the Financial Stability Board to review how the financial sector can take account of climate-related issues. As part of its review, the Financial Stability Board identified the need for better information to support informed investment, lending, and insurance underwriting decisions and improve understanding and analysis of climate-related risks and opportunities. Better information will also help investors engage with companies on the resilience of their strategies and capital spending, which should help promote a smooth rather than an abrupt transition to a lower-carbon economy.

The Task Force recommends that organizations with more significant exposure to "transition risk"[14] and/or physical risk -- like Chevron here -- should undertake more rigorous analysis with respect to the key drivers and trends that affect their operations.

The Report offers the following disclosure considerations as guidance:

Figure 8

Disclosure Considerations for Non-Financial Organizations

Organizations with more significant exposure to climate-related issues should consider disclosing key aspects of their scenario analysis, such as the ones described below.

1	The scenarios used, including the 2°C or lower scenario[47]
2	Critical input parameters, assumptions, and analytical choices for the scenarios used, including such factors as: – Assumptions about possible technology responses and timing (e.g., evolution of products/services, the technology used to produce them, and costs to implement) – Assumptions made around potential differences in input parameters across regions, countries, asset locations, and/or markets – Approximate sensitivities to key assumptions
3	Time frames used for scenarios, including short-, medium-, and long-term milestones (e.g., how organizations consider timing of potential future implications under the scenarios used)
4	Information about the resiliency of the organization's strategy, including strategic performance implications under the various scenarios considered, potential qualitative or directional implications for the organization's value chain, capital allocation decisions, research and development focus, and potential material financial implications for the organization's operating results and/or financial position

[14] "Transition risk scenarios are particularly relevant for resource-intensive organizations with high GHG emissions within their value chains, where policy actions, technology, or market changes aimed at emissions reductions, energy efficiency, subsidies or taxes, or other constraints or incentives may have a particularly direct effect. Recommendations of the Task Force on Climate-related Financial Disclosures, page 27.

The current Proposal is in line with the TCFD requirements to consider and disclose strategies for resilience. For instance, TCFD flags the issue of Technology Risk:

> Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system can have a significant impact on organizations. For example, the development and use of emerging technologies such as renewable energy, battery storage, energy efficiency, and carbon capture and storage will affect the competitiveness of certain organizations, their production and distribution costs, and ultimately the demand for their products and services from end users. To the extent that new technology displaces old systems and disrupts some parts of the existing economic system, winners and losers will emerge from this "creative destruction" process. The timing of technology development and deployment, however, is a key uncertainty in assessing technology risk

In addition, TCFD notes the need for the type of transition in energy sources that is the focus of the proposal:

> According to the International Energy Agency (IEA), to meet global emission-reduction goals, countries will need to transition a major percentage of their energy generation to low emission alternatives such as wind, solar, wave, tidal, hydro, geothermal, nuclear, biofuels, and carbon capture and storage. IEA, "Global energy investment down 8% in 2015 with flows signaling move towards cleaner energy," September 14, 2016.
>
> For the fifth year in a row, investments in renewable energy capacity have exceeded investments in fossil fuel generation. Frankfurt School-United Nations Environmental Programme Centre and Bloomberg New Energy Finance, "Global Trends in Renewable Energy Investment 2017," 201. The trend toward decentralized clean energy sources, rapidly declining costs, improved storage capabilities, and subsequent global adoption of these technologies are significant. Organizations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs.

The TCFD highlighted the issue of organizational resilience as among the opportunities presented by climate change.

A
Introduction

B
Climate-Related Risks, Opportunities, and Financial Impacts

C
Recommendations and Guidance

D
Scenario Analysis and Climate-Related Issues

E
Key Issues Considered and Areas for Further Work

Conclusion

Appendices

Table 2

Examples of Climate-Related Opportunities and Potential Financial Impacts

Type	Climate-Related Opportunities[33]	Potential Financial Impacts
Resource Efficiency	– Use of more efficient modes of transport – Use of more efficient production and distribution processes – Use of recycling – Move to more efficient buildings – Reduced water usage and consumption	– Reduced operating costs (e.g., through efficiency gains and cost reductions) – Increased production capacity, resulting in increased revenues – Increased value of fixed assets (e.g., highly rated energy-efficient buildings) – Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
Energy Source	– Use of lower-emission sources of energy – Use of supportive policy incentives – Use of new technologies – Participation in carbon market – Shift toward decentralized energy generation	– Reduced operational costs (e.g., through use of lowest cost abatement) – Reduced exposure to future fossil fuel price increases – Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon – Returns on investment in low-emission technology – Increased capital availability (e.g., as more investors favor lower-emissions producers) – Reputational benefits resulting in increased demand for goods/services
Products and Services	– Development and/or expansion of low emission goods and services – Development of climate adaptation and insurance risk solutions – Development of new products or services through R&D and innovation – Ability to diversify business activities – Shift in consumer preferences	– Increased revenue through demand for lower emissions products and services – Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services) – Better competitive position to reflect shifting consumer preferences, resulting in increased revenues
Markets	– Access to new markets – Use of public-sector incentives – Access to new assets and locations needing insurance coverage	– Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks) – Increased diversification of financial assets (e.g., green bonds and infrastructure)
Resilience	– Participation in renewable energy programs and adoption of energy-efficiency measures – Resource substitutes/diversification	– Increased market valuation through resilience planning (e.g., infrastructure, land, buildings) – Increased reliability of supply chain and ability to operate under various conditions – Increased revenue through new products and services related to ensuring resiliency

[33] The opportunity categories are not mutually exclusive, and some overlap exists.

The Company's own investor communications acknowledge the Company's responsibility to address transition risks

In response to ongoing investor interest and concerns regarding the Company's climate risk in a decarbonizing economy, in March 2017 the Company issued a report ***"managing climate change risks: a perspective for investors***". The cover letter from the chairman and CEO John S. Watson noted:

> Recently, some of our shareholders have expressed interest in gaining greater insight into how Chevron manages climate change risks. This report is meant to address this topic by providing the Company's views on long-term fundamentals of the energy industry, the processes by which we manage risks—including climate change risks—and the significant steps we have taken to manage greenhouse gases (GHGs).
>
> ***
>
> As to climate change risks, our assessments have included an examination of potential carbon-constrained scenarios, including pricing scenarios and the relative competitiveness of asset types.
>
> Our processes have enabled the Company to adapt to the dynamic and constantly changing nature of energy markets. As markets have evolved and changed, so have our Company's operations. The history of our operations has shown that we are consistently well prepared and able to adapt to changing conditions in the marketplace.
>
> * * *
>
> We hope this report will provide insight into some of the longstanding risk management processes we use and the application of these processes to the management of climate change risks. Chevron remains committed to continued shareholder engagement on this and other issues of interest. We appreciate your investment in Chevron.

While this report acknowledges the likelihood of climate risk, and states that it has examined potential carbon-constrained scenarios, it does not address the requests of the current proposal with regard to if and *how* the company is adapting to a significantly carbon constrained economy. The ability to adapt to historical swings in the oil and gas markets, due primarily to temporary disruptions in supply and hence price, does not suffice to demonstrate to investors that the company has sufficient plans in place to address fundamentally disruptive changes to the economy in which demand for its main products – oil and gas – must move fairly rapidly toward zero.

As an example, the Chevron investor climate report includes a statement on renewables, a sparsely detailed description of its general efforts to conduct research on renewables:

> Technology, research and development
> Chevron continues to be committed to understanding and evaluating the economic viability of investments in renewable energy. These technologies include advanced biofuels, wind power and solar energy, in addition to energy efficiency technologies. We conduct internal research and collaborate with governments, businesses and academia in researching and developing alternative and renewable energy sources. Through these partnerships, we share information and help to advance technology that can lead to more renewable energy for future generations.
>
> ***
>
> Chevron believes that second- and third-generation biofuels could help meet the world's future energy needs if they are scalable, sustainable and affordable for consumers. That's why Chevron is working on developing solutions that meet the criteria of scalability, sustainability and cost under an effective policy framework.

The Company's sparse discussion of renewable energy provides no concrete information that Chevron has seriously examined the potential to bring renewables into its portfolio or otherwise replace the projected decline in demand for oil and gas. The bald promise that it is "working on developing solutions" provides no time frame associated with creating scalability, adopting renewables, or otherwise addressing the likelihood of declining demand, especially the potential for a rapid decline in demand.

Chevron's poor performance in the arena of climate change disclosure, relative to its peers, is highlighted by CDP's November 2016 report *In The Pipeline*, setting forth company performance across a range of portfolio, emissions, and water-related metrics which indicate carbon risk preparedness and highlights earnings risks for oil and gas companies. This report found that Chevron was amongst the worst performers compared to peer companies, performing "below average across most metrics" with the "fourth highest upstream emissions intensity".[15] Similarly, the 2017 report *Disclosing the Facts: Transparency and Risk in Methane Emissions*, found that Chevron was a laggard amongst its peers when it came to methane disclosures.[16] Chevron earned only 2 points out of 13 for disclosure of its methane management and reduction practices. Only 6 smaller companies scored fewer points (1 or 0) than Chevron, which lagged its peer companies dramatically.[17]

The Proposal's focus is distinct from the crux of the litigation

While the litigation and the Proposal both address the broad and important issue of climate change, they address very distinct issues within that broad category. Chevron's response to the Proposal will not affect the crux of the litigation it is facing, which seeks to resolve Chevron's responsibility (fault) for past fossil fuel sales, whether those sales caused some degree of climate change, whether that climate change harmed Plaintiffs, and whether Chevron is legally responsible for some or all of that harm. In contrast, whether Chevron is prospectively aligning

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[15] In the Pipeline. CDP, November 2016. Page 6.
[16] Disclosing the Facts Press Release, "Oil & Gas Companies Begin Plugging Methane Leaks to Retain Social License to Operate". December 14, 2017. Available online at http://disclosingthefacts.org/.
[17] DTF 2017, Chart 1.

its business model with a decarbonizing economy by altering its energy mix, adopting low carbon assets or technologies, or otherwise operating its business to reduce future societal harm from climate change and to protect shareholder value is not relevant to the issue of liability and only marginally, at best, relevant to the requested injunctive relief to reduce Chevron's future greenhouse gas emissions.

Chevron's response to the question raised by the Proposal – whether and how it is adapting its business operations to thrive in a low carbon economy -- would likely not significantly impact a court's decision on injunctive relief. A great wealth of information is available on the role of renewables in decarbonizing the energy system and reducing climate change impacts; statements of Chevron's intent to change its business model to move in this direction would not provide the court with information not otherwise available to it. The benefits and feasibility of renewable energy are well studied and written about, as well as being the subject of a great deal of expertise.

The Proposal is prospective in its assessments and actions for reducing harm, while the crux of the litigation is retrospectively focused on fault for past actions.

Consistent with numerous Staff decisions, the current proposal is not excludable because it is focused entirely on whether the company is prepared to adopt prospective business measures to thrive in a low carbon economy and reduce carbon-related impacts to society and risk to investors. In contrast, the litigation identified by the Company is focused principally on assigning fault for past actions.

The Company Letter itself demonstrates the fact that the focus of the litigation is on fault for past behavior:

> Specifically, the Company is one of many defendants in eight lawsuits recently filed in multiple jurisdictions across the United States by several cities and counties (the "Plaintiffs") who seek relief for alleged climate change injuries. **In sum, the Plaintiffs allege that the Company is liable under state tort law related to its production, promotion, and sale of fossil fuels, and further allege that the Company should have historically altered its business model to transition away from fossil fuels, and that they have suffered damages due to the Company's failure to do so.** [Emphasis added]

The company argues that the Proposal, which requests that the Company prepare a report "describing how the Company could adapt its business model to align with a decarbonizing economy," directly implicates the Company's litigation strategy in and conduct of this litigation:

> For example, certain of the Plaintiffs—the City of Imperial Beach, the County of Marin, the County of San Mateo, the County of Santa Cruz, and the City of Santa Cruz—allege that the Company "could have taken . . . practical, cost-effective steps to reduce the use of their fossil fuel products, reduce global greenhouse gas pollution associated therewith, and mitigate the harms associated with the use and consumption of such products," including "[p]rioritizing alternative sources of energy through sustained investment and research on renewable energy

> sources to replace dependence" on fossil fuel products. *See, e.g.*, Marin Compl., ¶¶ 160, 160(f); Santa Cruz County Compl., ¶¶ 201, 201(f).

The Company attempts to argue that any forward momentum on its part to address climate risk, and any disclosure of those actions, would strategically impair its litigation strategies. This argument is factually incorrect. That the company might announce it is in a position to adopt renewables provides no evidence that it was in a position to do so in the past. Renewable energy technologies, regulations, and consumer preferences are different now than they were historically. As demonstrated by the Financial Times article cited above, and many other sources[18], the reason that renewable energy is becoming a disruptive force is that technological advances and market changes have been driven by climate change to the point where economies

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[18] For another source, see Inside Climate News, Jan. 3, 2018, "Clean Energy Soared in the U.S. in 2017 Due to Economics, Policy and Technology":

> Even the International Energy Agency (IEA), known for its myopic view of fossil fuels and routine underestimates of renewable energy growth, discerns this trend. Renewable energy's "explosive growth in the power sector marks the end of the boom years for coal," says its latest World Energy Outlook, predicting that renewables will capture two-thirds of global investment and generate 40 percent of total power in 2040 "as they become, for many countries, the least-cost source of new generation."
>
> Renewables Are Competing on Price
> In fact, renewables are already the cheaper option in many places. The IEA's 2017 Energy Outlook notes that, since 2010, costs of new solar PV have come down by 70 percent and wind by 25 percent. And China's energy agency announced last January that it intends to spend at least $360 billion on renewable energy by 2020. It's that kind of investment that is helping to bring prices down worldwide…
>
> These prices are turning heads. In 2016, renewable energy accounted for almost two-thirds of new power capacity globally, and this was another record year. The IEA expects that domination to continue, at least through 2022. That's true in the United States as well. Renewables have been the majority of added capacity since 2014, despite this year's solar dramas such as lobbying for tariffs on cheaper Chinese panels and industry shakeups…
>
> Batteries: Cheaper and Better
> Renewables' strong growth demands more energy storage to avoid dumping wind and solar power that can't be used immediately, and regulators are increasingly aware of storage's value in supporting the modern grid. It helps that adding storage is now more feasible because battery prices have come down by 40 percent since 2010, according to the IEA's 2017 Energy Outlook. Water storage via pumped hydro and regulated dam use are also supporting wind and solar, along with "virtual storage" such as demand response…
>
> This is the future of energy, and it's coming much faster than conventional wisdom predicted. Deals between data and artificial intelligence startups and energy companies increased 10-fold in 2017, according to accountancy firm BDO. Altogether, these policies, technologies, and markets are overcoming hurdles to new types of greener energy—solar, wind, storage, efficiency—decreasing greenhouse gas emissions from electricity.
>
> It may prove impossible for those who favor fossil fuels to turn back the gears of progress.

are working in their favor. Evaluation of the company's past decisions would reflect a different state of economy and technology. Adoption of low carbon strategies now does not prove Plaintiffs' historical case.

Similarly, the Company's argument that any actions it adopts or discloses pursuant to the Proposal will provide Plaintiffs' with information they previously lacked is not congruent with reality. Plaintiffs' are certainly aware that any of the actions suggested in the Proposal are available to Chevron now and were historically; responding to the Proposal will not create a roadmap that did not already exist to Plaintiffs. As noted in the information above, adoption of renewables is a clearly articulated and broadly discussed solution to climate change. Chevron's argument that a response to Proponent's Proposal will elucidate a previously unknown and brand new set of possibilities that Plaintiffs' otherwise were not likely to consider strains credulity.

Chevron next complains that adoption of some of the Proposal's suggested alternatives might affect the mix of injunctive relief ordered by a court. The potential that a court might order a company to undertake specific actions to reduce climate change is striking low in the first place; the potential that a court might take current actions into consideration in fashioning such relief, were it inclined to do so, should not outweigh shareholder's interests in understanding what action, if any, the Company is taking to reduce climate risk.

***

The minimal effect on Chevron's ability to strategically defend its case, when weighed against the importance of shareholders' ability to raise climate change in proposals, weighs against granting Chevron's No Action Request

As discussed above, there is very little likelihood that the current Proposal would in any way meaningfully affect Chevron's litigation position. Yet, Chevron's argument, if accepted, would essentially prevent all climate related proposals at the largest fossil fuel companies most of which are subject to climate lawsuits from moving forward. The number of fossil fuel companies subject to lawsuits is likely to grow as litigation gains traction.

Shareholders are demanding clear and comparable information about how their companies are addressing the recognized and significant risks posed by climate change, including potential negative impacts and positive opportunities that may affect financial returns. The potential for a de minimis impact on litigation should not prevent these important requests from moving forward.

The purpose of the SEC's rules and regulations is to ensure complete disclosure of material financial information to public investors. On the SEC's website, the Commission has observed that "[t]he laws and rules that govern the securities in the United States derive from a simple and straightforward concept: all investors, whether large institutions or private individuals, should have access to certain basic facts about an investment prior to buying it … Only through the steady flow of timely, comprehensive and accurate information can people make sound

investment decisions."[19]

This shareholder proposal is not about pending litigation. The proposal is consistent with, and furthers the SEC's stated interest in, ensuring complete and accurate corporate disclosures, and the investing public's interest in promoting transparency in publicly traded companies. Considering the SEC's mission, the balance weighs heavily in favor of non-exclusion of the Proposal.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2018 proxy statement pursuant to Rule 14a-8(i)(7). As such, we respectfully request that the Staff inform the company that it is denying the no action letter request. If you have any questions, please contact me at 413 549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,

Sanford Lewis

Cc: Elizabeth A. Ising
Danielle Fugere, As You Sow

[19] The Investor's Advocate: How the SEC Protects Investors and Maintains Market Integrity, available at http://www.sec/gov/about/whatwedo.shtml.

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January 19, 2018

VIA E-MAIL
Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *Chevron Corporation*
Stockholder Proposal of Betsy L. Krieger et al
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Chevron Corporation (the "Company"), intends to omit from its proxy statement and form of proxy for its 2018 Annual Meeting of Stockholders (collectively, the "2018 Proxy Materials") a stockholder proposal (the "Proposal") and statements in support thereof received from As You Sow on behalf of Betsy L. Krieger, Julia H. Kandel-Krieger Trust, Michelle Swenson & Stan Drobac Revocable Trust, Kalpana Raina, PCR Childrens Trust FBO Ellen Remmer, Paul R. Rudd Revocable Trust, Annabelle Selldorf, Jeanne Miller, and SCP 2008 Trust; Arjuna Capital on behalf of Adam Seitchik; American Baptist Home Mission Societies; and Zevin Asset Management on behalf of Patrick M. Flanagan (collectively, the "Proponents").

Under Rule 14a-8(j), we have filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission, and we have concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned pursuant to Rule 14a-8(k) and SLB 14D.

PROPOSAL

The Proposal states:

> **RESOLVED:** With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

A copy of the Proposal, the supporting statements and related correspondence with the Proponents, is attached to this letter as Exhibit A.

BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's litigation strategy.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Deals With Matters Relating To The Company's Ordinary Business Operations.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a stockholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word, but instead the term "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. The first was that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration related to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976)).

Framing a stockholder proposal in the form of a request for a report does not change the nature of the proposal. The Commission has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Release No. 20091 (Aug. 16, 1983). In addition, the Staff has indicated that "[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under rule 14a-8(i)(7)." *Johnson Controls, Inc*. (avail. Oct. 26, 1999).

The Staff consistently has concurred with the exclusion under Rule 14a-8(i)(7) of stockholder proposals that implicate and seek to oversee a company's ordinary business operations, including when the subject matter of the proposal is the same as or similar to that which is at the heart of litigation in which a company is involved. For example, in *Johnson & Johnson* (avail. Feb. 14, 2012), the Staff concurred with the exclusion of a proposal that requested that the company report on any new initiatives instituted by management to address the "health and social welfare concerns of people harmed by adverse effects from Levaquin," one of the Company's pharmaceutical products. Specifically, the proposal was excludable as relating to the company's litigation strategy where the company was litigating several thousand cases involving claims that individuals had been injured by the company's drug LEVAQUIN®. Thus, the report requested in the proposal would have required a report on the very matter being litigated—"adverse effects from" the company's product. *See also General Electric Co.* (avail. Feb. 3, 2016) (concurring with the exclusion, as relating to litigation strategy, of a proposal requesting that the company issue a report containing specified information regarding the alleged discharge of chemicals into the Hudson River, while the company was a defendant in multiple pending lawsuits alleging damages related to the company's alleged past release of chemicals into the Hudson River); *Wal-Mart Stores, Inc*. (avail. Apr. 14, 2015) (concurring with the exclusion, as relating to litigation strategy, of a proposal requesting that the company prepare an annual report on company actions taken to eliminate gender-based pay inequity and progress made toward such elimination given numerous pending lawsuits and claims alleging gender-based pay discrimination, with the Staff noting "[p]roposals that would affect the conduct of ongoing litigation to which the company is a party are generally excludable under rule 14a-8(i)(7)"); *Reynolds American Inc.* (avail. Mar. 7, 2007) (concurring with the exclusion, as relating to litigation strategy, of a proposal requesting that the company provide information on the health hazards of secondhand smoke, including legal options available to minors to ensure their environments are smoke free, where the company was currently litigating six separate cases alleging injury as a result of exposure to secondhand smoke and a principal issue concerned the health hazards of secondhand smoke); *AT&T Inc.* (avail. Feb. 9, 2007) (concurring with the exclusion, as relating to ordinary business operations (*i.e*., litigation strategy), of a proposal requesting that the company issue a report containing specified information regarding the alleged disclosure of customer records to governmental agencies, while the company was a defendant in multiple pending lawsuits alleging unlawful acts by the company in relation to such disclosures); *Reynolds American Inc.* (avail. Feb. 10, 2006) (concurring with the exclusion, as relating to litigation strategy, of a proposal requesting that the company notify African-Americans of the unique health hazards to

them associated with smoking menthol cigarettes, where the company noted that undertaking such a campaign would be inconsistent with positions it was taking in denying such health hazards as defendant in a lawsuit alleging that the use of menthol cigarettes by the African-American community poses unique health risks to this community).

As with the proposals in *Johnson & Johnson* and *Wal-Mart Stores, Inc*., the Company believes that the Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(7) because the Proposal involves the same subject matter as, and implicates the Company's litigation strategy in, several pending lawsuits involving the Company and therefore relates to the Company's ordinary business operations.

Specifically, the Company is one of many defendants in eight lawsuits recently filed in multiple jurisdictions across the United States by several cities and counties (the "Plaintiffs") who seek relief for alleged climate change injuries. The quotations used here are exemplary of the complaints, which allege similar causes of action based on the same theories of liability.[1] In sum, the Plaintiffs allege that the Company is liable under state tort law related to its production, promotion, and sale of fossil fuels, and further allege that the Company should have historically altered its business model to transition away from fossil fuels, and that they have suffered damages due to the Company's failure to do so. The Company believes that these lawsuits lack factual and legal merit and will mount a vigorous defense.

The Proposal, which requests that the Company prepare a report "describing how the Company could adapt its business model to align with a decarbonizing economy," directly implicates the Company's litigation strategy in and conduct of this litigation. For example, certain of the Plaintiffs—the City of Imperial Beach, the County of Marin, the County of San Mateo, the County of Santa Cruz, and the City of Santa Cruz—allege that the Company "could have taken . . . practical, cost-effective steps to reduce the use of their fossil fuel products, reduce global greenhouse gas pollution associated therewith, and mitigate the harms associated with the use and consumption of such products," including "[p]rioritizing alternative sources of energy through sustained investment and research on renewable energy sources to replace dependence" on fossil fuel products. *See, e.g.*, Marin Compl., ¶¶ 160, 160(f); Santa Cruz County Compl., ¶¶ 201, 201(f).

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[1] *See* County of San Mateo v. Chevron Corp., et al., 3:17-cv-4929-VC (N.D. Cal. removed Aug. 24, 2017); City of Imperial Beach v. Chevron Corp., et al., 3:17-cv-4934-VC (N.D. Cal. removed Aug. 24, 2017); County of Marin v. Chevron Corp., et al., 3:17-cv-4935-VC (N.D. Cal. removed Aug. 24, 2017); The People of the State of California, acting by and through the Oakland City Attorney Dennis J. Herrera v. BP P.L.C., et al., 3:17-cv-6011-WHA (N.D. Cal. removed Oct. 20, 2017); The People of the State of California, acting by and through the San Francisco City Attorney v. BP P.L.C., et al., 3:17-cv-6012-WHA (N.D. Cal. removed Oct. 20, 2017); County of Santa Cruz v. Chevron Corp., et al., 17-cv-03242 (Santa Cruz Cty. Sup. Ct. filed Dec. 20, 2017); City of Santa Cruz v. Chevron Corp., et al., 17-cv-03243 (Santa Cruz Cty. Sup. Ct. filed Dec. 20, 2017); City of New York v. BP P.L.C., et al., 1:18-cv-182 (S.D.N.Y. filed Jan. 9, 2018).

The Plaintiffs allege that the Company's business practices, namely the production, promotion, and sale of fossil fuels, constitute a public nuisance, in part, because "it was practical for Defendants . . . to develop better technologies and to pursue and adopt known, practical, and available technologies, energy sources, and business practices that would have mitigated their greenhouse gas pollution and eased the transition to a lower carbon economy." *See, e.g.*, Marin Compl., ¶¶ 185(g), 197(h), 236; Santa Cruz County Compl., ¶¶ 248(g), 260(h). Moreover, the Plaintiffs allege that the Company is strictly liable because the risks from fossil fuel products outweigh their benefits, including that "the social benefit of the purpose of placing fossil fuels into the stream of commerce is overshadowed by the availability of other sources of energy that could have been placed into the stream of commerce that would not have caused" the alleged injuries. *See, e.g.*, Marin Compl., ¶ 223(b); Santa Cruz County Compl., ¶¶ 248(e), 260(f), 286(b), 299(f). The Plaintiffs also allege that the Company breached its duty of due care by, among other things, "failing to take actions including but not limited to pursuing and adopting known, practical, and available technologies, energy sources, and business practices that would have mitigated their greenhouse gas pollution and eased the transition to a lower carbon economy." *See, e.g.*, Marin Compl., ¶ 243(c); Santa Cruz County Compl., ¶ 307(c). As relief, the Plaintiffs seek, among other things, "[e]quitable relief to abate the nuisances" and damages. *See, e.g.*, Marin Compl., Prayer for Relief; Santa Cruz County Compl., Prayer for Relief.

The Proposal directly interferes with the Company's defense of these claims. By calling on the Company to endeavor to create and then issue a report describing how it could "adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels," the Proposal would force the Company to engage in an analysis and reveal information central to its defense on the merits and to any potential equitable relief. For example, publishing a report on "buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions," directly overlaps with the Plaintiffs' allegation that the Company failed to "pursue and adopt known, practical, and available technologies, energy sources, and business practices that would have mitigated their greenhouse gas pollution and eased the transition to a lower carbon economy." Thus, the Proposal will lead to factual and strategic assumptions and disclosures that will provide the Plaintiffs with a roadmap regarding possible actions that the Company could take in the future. Here, the Plaintiffs not only claim past harm, but that the harm is "continuing" such that the Court must fashion "[e]quitable relief to abate the nuisances." *See, e.g.*, Marin Compl., ¶ 188 ("the common rights enjoyed by the People of the State of California and by the general public in the County of Marin have been unreasonably interfered with because Defendants knew or should have known that their conduct would create a *continuing* problem with long-lasting significant negative effects on the rights of the public" (emphasis added), Prayer for Relief. Thus, the very disclosures that the Proposal requests would harm the Company's defense against nearly identical claims by the Plaintiffs. Moreover, although the Proposal is prospective as it requests that the Company describe "how the Company could adapt its business model," doing so would provide the Plaintiffs with concrete examples of actions that they will contend could have been

taken previously or now in response to the continuing harm alleged by the Plaintiffs. The Plaintiffs could use the disclosures to their litigation advantage in fact and expert discovery as a source for analogous actions that the Company could have taken. As a result, the Proposal seeks disclosures from the Company that would result in it prematurely revealing facts that would harm the Company's conduct of and strategy in this litigation.

Every company's management has a responsibility to defend the company's interests against unwarranted litigation. A stockholder proposal that interferes with this obligation is inappropriate, particularly when the company is involved in pending litigation on the very issues that form the basis for the proposal. For that reason, the Staff consistently has viewed stockholder proposals, like the Proposal, that implicate a company's conduct of litigation or its litigation strategy as properly excludable under the "ordinary course of business" exception contained in Rule 14a-8(i)(7). *See*, *e.g.*, *Chevron Corp.* (avail. Mar. 19, 2013) (excluding a proposal as relating to the company's ordinary business operations (*i.e.,* litigation strategy) where the proposal requested that the company review its "legal initiatives against investors" because "[p]roposals that would affect the conduct of ongoing litigation to which the company is a party are generally excludable under rule 14a-8(i)(7)"); *CMS Energy Corp*. (avail. Feb. 23, 2004 (concurring with the exclusion of a stockholder proposal requiring the company to void any agreements with two former members of management and initiate action to recover all amounts paid to them, where the Staff noted that the proposal related to the "conduct of litigation"); *NetCurrents, Inc.* (avail. May 8, 2001) (excluding a proposal as relating to the company's ordinary business operations (*i.e*., litigation strategy) where the proposal required the company to file suit against certain of its officers for financial improprieties); *Benihana National Corp.* (avail. Sept. 13, 1991) (permitting exclusion under Rule 14a-8(c)(7) of a proposal requesting the company to publish a report prepared by a board committee analyzing claims asserted in a pending lawsuit).

In addition, the Staff consistently has concurred with the exclusion under Rule 14a-8(i)(7) of stockholder proposals like the Proposal when the subject matter of the proposal is the same as or similar to current litigation in which the company is then involved and when the implementation of the proposal would amount to an admission by the company. *See*, *e.g*., *General Electric Co.* (avail. Feb. 3, 2016) (concurring with the exclusion of a proposal as relating to the company's ordinary business operations where implementation would have required "the [c]ompany to take action that is contrary to its legal defense in pending litigation"); *Wal-Mart Stores, Inc.* (avail. Apr. 14, 2015) (excluding a proposal as relating to the company's ordinary business operations where "the [p]roposal would obligate the [c]ompany to take a public position, outside the context of pending litigation and the discovery process, with respect to the very subject matter of the [p]roposal"); *R.J. Reynolds Tobacco Holdings, Inc.* (avail. Feb. 6, 2004) (concurring in the exclusion of a proposal that directed the company to stop using the terms "light," "ultralight," "mild" and similar words in marketing cigarettes until stockholders could be assured through independent research that light and ultralight brands actually reduce the risk of smoking-related diseases. At the time the proposal was submitted, the company was a defendant in multiple

lawsuits in which the plaintiffs were alleging that the terms "light" and "ultralight" were deceptive. The company argued that implementing the proposal while the lawsuits were pending "would be a de facto admission by the Company that 'light' and 'ultralight' cigarettes do not pose reduced health risks as compared to regular cigarettes"). *See also Exxon Mobil Corp.* (avail. Mar. 21, 2000) (concurring with the exclusion of a proposal requesting immediate payment of settlements associated with Exxon Valdez oil spill as relating to litigation strategy and related decisions).

As a final matter, we note that the mere fact that a proposal may touch upon a significant policy issue is not alone sufficient to avoid the application of Rule 14a-8(i)(7) when a proposal implicates ordinary business matters. Although the Commission has stated that "proposals relating to such [ordinary business] matters but focusing on sufficiently significant social policy issues (*e.g.*, significant discrimination matters) generally would not be considered to be excludable," the Staff has expressed the view that proposals relating to both ordinary business matters and significant social policy issues may be excluded in their entirety in reliance on Rule 14a-8(i)(7). *See* 1998 Release. As an example, although smoking is considered a significant policy issue, the Staff has concurred, as noted above, with the exclusion of proposals that touched upon this issue where the subject matter of the proposal (*e.g.*, the health effects of smoking) was the same as or similar to that which was at the heart of litigation in which the company was then involved. *See*, *e.g.*, *Philip Morris Cos. Inc.* (avail. Feb. 4, 1997) (noting that although the Staff "has taken the position that proposals directed at the manufacture and distribution of tobacco-related products by companies involved in making such products raise issues of significance that do not constitute matters of ordinary business," the company could exclude a proposal that "primarily addresses the litigation strategy of the Company, which is viewed as inherently the ordinary business of management to direct"). Similarly, even if the Proposal was viewed as touching on a significant policy issue, the subject matter of the Proposal (*e.g.*, disclosing specific actions the Company could take to "adapt its business model to align with a decarbonizing economy") encompasses the subject matter of litigation in which the Company is currently involved. Thus, because the Proposal pertains to the Company's litigation strategy, which is an ordinary business matter, we believe the Proposal is excludable under Rule 14a-8(i)(7).

In summary, the Proposal requests that the Company take action that would facilitate the goals of the Plaintiffs in pending litigation against the Company at the same time that the Company is actively challenging the Plaintiffs' allegations. In this regard, the Proposal seeks to substitute the judgment of stockholders for that of the Company on decisions involving litigation strategy by requiring the Company to take action that is contrary to its legal defense in pending litigation. Thus, implementation of the Proposal would intrude upon Company management's exercise of its day-to-day business judgment with respect to pending litigation in the ordinary course of its business operations. Accordingly, we believe that the Proposal may be properly excluded from the Company's 2018 Proxy Materials under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2018 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Christopher A. Butner, the Company's Assistant Corporate Secretary and Managing Counsel, at (925) 842-2796.

Sincerely,

Elizabeth A. Ising

Enclosures

cc: Christopher A. Butner, Chevron Corporation
Andrea Neuman, Gibson, Dunn & Crutcher LLP
Danielle Fugere, As You Sow
Natasha Lamb, Arjuna Capital
David Moore, American Baptist Home Mission Societies
Mary Beth Gallagher, Coalition for Responsible Investments
Pat Miguel Tomaino, Zevin Asset Management

EXHIBIT A

AS YOU SOW

1611 Telegraph Ave, Suite 1450
Oakland, CA 94612

www.asyousow.org
BUILDING A SAFE, JUST, AND SUSTAINABLE WORLD SINCE 1992

December 11, 2017

Mary A. Francis
Corporate Secretary and Chief Governance Officer
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583- 2324

Sent by email to: corpgov@chevron.com, mfrancis@chevron.com

Dear Ms. Francis:

I am hereby authorized to notify you of As You Sow's intention to co-lead file, along with Arjuna Capital, the enclosed shareholder resolution with Chevron Corporation on behalf of Betsy L. Krieger ("Proponent"), a shareholder of Chevron Corporation stock, in order to protect the shareholder's right to raise this issue in the proxy statement. The Proponent is submitting the enclosed shareholder proposal for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from Betsy L. Krieger authorizing As You Sow to act on her behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are optimistic that a dialogue with the company can result in resolution of the Proponent's concerns.

Sincerely,

Danielle Fugere
President & Chief Counsel

Enclosures

- Shareholder Proposal
- Betsy L. Krieger Authorization

November 2, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned, Betsy L. Krieger (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation relating to a report describing how Chevron could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Betsy L. Krieger

Low Carbon Business Model

WHEREAS: A global transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. Major oil companies face unprecedented disruption to their business model driven by global imperatives to limit global warming to well below 2 degrees Celsius and a resulting growth in low- and non-carbon-emitting technologies and energy sources.

Goldman Sachs pegs the low carbon economy at a $600 billion-plus revenue opportunity, estimating that solar PV and wind will add more to the global energy supply between 2015 and 2020 than shale oil production did between 2010 and 2015.

Low carbon market forces, including competition from electric cars, will be a "resoundingly negative" threat to the oil industry. The CEOs of Statoil and Shell have predicted that peak oil demand may occur as early as the 2020s. Citigroup estimates the value of unburnable fossil fuel reserves could reach $100 trillion through 2050. In 2016, Fitch Ratings urged energy companies to plan for "radical change."

A failure to plan for this transition may place investor capital at substantial risk. Carbon Tracker (CTI) estimates 30 to 40 percent of Chevron's potential upstream capex through 2035 is outside the Paris Agreement's goal of less than 2 degrees global warming. CTI notes 2.3 trillion of industry-wide upstream projects are inconsistent with global commitments to limit climate change and rapid advances in clean technologies.

While Chevron has recently slowed capital expenditures in the face of lower oil prices, a decade of historic spending on high cost, high carbon assets has made our company vulnerable[1] to further downturns in demand and falling oil prices. Global climate action and low carbon technological advancements make it vital that our company transition its business plan to remain successful in an increasingly decarbonizing economy.

Peers including Total, Shell, and Statoil have already begun investing in clean energy projects including wind, solar, and renewables storage. In 2016, oil major investments in clean energy more than doubled. Total has a stated goal to increase renewable and low carbon businesses to 20 percent of the company's portfolio and made the largest number of investments in clean energy companies in 2016. By 2020, Shell plans to spend approximately 1 billion dollars annually to adapt to the transition toward renewable power and electric cars. Statoil has established a new energy unit to capitalize on the growing renewable energy sector.

RESOLVED: With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

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[1] *See* https://www.asyousow.org/ays_report/unconventional-risks-the-growing-uncertainty-of-oil-investments/

December 15, 2017

Betsy L. Krieger:

Charles Schwab & Co., a DTC participant, acts as the custodian for Betsy L. Krieger. As of the date of this letter, Betsy L. Krieger held, and has held continuously for at least 13 months, 77 shares of Chevron Corporation common stock.

Best Regards,

Jason Almquist
Specialist
Charles Schwab & Co., Inc.

AS YOU SOW
1611 Telegraph Ave, Suite 1450
Oakland, CA 94612

December 11, 2017

Mary A. Francis
Corporate Secretary and Chief Governance Officer
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583- 2324

Sent by email to: corpgov@chevron.com, mfrancis@chevron.com

Dear Ms. Francis:

As You Sow is co-filing a shareholder proposal on behalf of the following Chevron Corporation shareholders (collectively, the "Proponents"):

- Julia H. Kandel-Krieger Trust
- Michelle Swenson & Stan Drobac Revocable Trust
- Kalpana Raina
- PCR Childrens Trust FBO Ellen Remmer
- Paul R. Rudd Revocable Trust
- Annabelle Selldorf
- Jeanne Miller
- SCP 2008 Trust

As You Sow is co-filing the proposal on behalf of each Proponent in order to protect the shareholders' right to raise this issue in the proxy statement. The Proponents are submitting the enclosed shareholder proposal for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

As You Sow also represents the lead filer of this proposal, Betsy L. Krieger.

Letters from the Proponents authorizing As You Sow to act on their behalf are enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required.

Sincerely,

Danielle Fugere
President & Chief Counsel

Enclosures

- Shareholder Proposal
- Letters of Authorization

Low Carbon Business Model

WHEREAS: A global transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. Major oil companies face unprecedented disruption to their business model driven by global imperatives to limit global warming to well below 2 degrees Celsius and a resulting growth in low- and non-carbon-emitting technologies and energy sources.

Goldman Sachs pegs the low carbon economy at a $600 billion-plus revenue opportunity, estimating that solar PV and wind will add more to the global energy supply between 2015 and 2020 than shale oil production did between 2010 and 2015.

Low carbon market forces, including competition from electric cars, will be a "resoundingly negative" threat to the oil industry. The CEOs of Statoil and Shell have predicted that peak oil demand may occur as early as the 2020s. Citigroup estimates the value of unburnable fossil fuel reserves could reach $100 trillion through 2050. In 2016, Fitch Ratings urged energy companies to plan for "radical change."

A failure to plan for this transition may place investor capital at substantial risk. Carbon Tracker (CTI) estimates 30 to 40 percent of Chevron's potential upstream capex through 2035 is outside the Paris Agreement's goal of less than 2 degrees global warming. CTI notes 2.3 trillion of industry-wide upstream projects are inconsistent with global commitments to limit climate change and rapid advances in clean technologies.

While Chevron has recently slowed capital expenditures in the face of lower oil prices, a decade of historic spending on high cost, high carbon assets has made our company vulnerable[1] to further downturns in demand and falling oil prices. Global climate action and low carbon technological advancements make it vital that our company transition its business plan to remain successful in an increasingly decarbonizing economy.

Peers including Total, Shell, and Statoil have already begun investing in clean energy projects including wind, solar, and renewables storage. In 2016, oil major investments in clean energy more than doubled. Total has a stated goal to increase renewable and low carbon businesses to 20 percent of the company's portfolio and made the largest number of investments in clean energy companies in 2016. By 2020, Shell plans to spend approximately 1 billion dollars annually to adapt to the transition toward renewable power and electric cars. Statoil has established a new energy unit to capitalize on the growing renewable energy sector.

RESOLVED: With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

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[1] *See* https://www.asyousow.org/ays_report/unconventional-risks-the-growing-uncertainty-of-oil-investments/

October 11, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of October 11, 2017, the undersigned, Julia H. Kandel-Krieger Trust (the "Stockholder") authorizes As You Sow to cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Betsy L. Krieger
Trustee
Julia H. Kandel-Krieger Trust

November 2, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned, Julia H. Kandel-Krieger Trust (the "Stockholder") authorizes As You Sow to cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation relating to a report describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Betsy L. Krieger
Trustee
Julia H. Kandel-Krieger Trust

October 10, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of October 10, 2017, the undersigned, Michelle Swenson & Stan Drobac Revocable Trust (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Michelle Swenson

Michelle Swenson
Trustee
Michelle Swenson & Stan Drobac Revocable Trust

October 19, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of October 11, 2017, the undersigned, Kalpana Raina (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Kalpana Raina

Kalpana Raina

November 1, 2017

Andrew Behar
CEO
As You Sow Foundation
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of November 1, 2017, the undersigned, PCR Childrens Trust FBO Ellen Remmer (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Ellen Remmer

Ellen Remmer
Trustee
PCR Childrens Trust FBO Ellen Remmer

November 10, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned, Paul R. Rudd Revocable Trust (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation relating to low-carbon transition reporting, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Paul R. Rudd
Trustee
Paul R. Rudd Revocable Trust

October 9, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of October 9, 2017, the undersigned, Annabelle Selldorf (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Annabelle Selldorf

November 13, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned, Jeanne Miller (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, relating to climate change, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Jeanne Miller

Jeanne Miller

AS YOU SOW

November 8, 2017

Andrew Behar
CEO
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of November 8, 2017, the undersigned, SCP 2008 Trust (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Chevron Corporation, and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over $2,000 worth of Chevron Corporation stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

Cindy Paradies
Trustee
SCP 2008 Trust

Robert Arogeti
Trustee
SCP 2008 Trust

JH Prop. #1

ARJUNA CAPITAL

ENLIGHTENED INVESTING

December 11, 2017

VIA OVERNIGHT MAIL

MAF

DEC 12 2017

Mary A. Francis, Corporate Secretary and Chief Governance Officer
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583- 2324

To whom it may concern:

Arjuna Capital is an investment firm focused on sustainable and impact investing.

I am hereby authorized to notify you of our intention to co-lead file, along with As You Sow, the enclosed shareholder resolution with Chevron Corporation on behalf of our client Adam D. Seitchik. Arjuna Capital submits this shareholder proposal for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, Adam D. Seitchik holds more than $2,000 of CVX common stock, acquired more than one year prior to today's date and held continuously for that time. Our client will remain invested in this position continuously through the date of the 2018 annual meeting.

Enclosed please find verification of this position and letter from Adam D. Seitchik authorizing Arjuna Capital to undertake this filing on his behalf. We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We would welcome discussion with Chevron Corporation about the contents of our proposal.

Please direct any written communications to me at the address below or to *natasha@arjuna-capital.com*. Please also confirm receipt of this letter via email.

Sincerely,

Natasha Lamb
Managing Partner
Arjuna Capital
49 Union Street
Manchester, MA 01944

Enclosures

Low Carbon Business Model

WHEREAS: A global transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. Major oil companies face unprecedented disruption to their business model driven by global imperatives to limit global warming to well below 2 degrees Celsius and a resulting growth in low- and non-carbon-emitting technologies and energy sources.

Goldman Sachs pegs the low carbon economy at a $600 billion-plus revenue opportunity, estimating that solar PV and wind will add more to the global energy supply between 2015 and 2020 than shale oil production did between 2010 and 2015.

Low carbon market forces, including competition from electric cars, will be a "resoundingly negative" threat to the oil industry. The CEOs of Statoil and Shell have predicted that peak oil demand may occur as early as the 2020s. Citigroup estimates the value of unburnable fossil fuel reserves could reach $100 trillion through 2050. In 2016, Fitch Ratings urged energy companies to plan for "radical change."

A failure to plan for this transition may place investor capital at substantial risk. Carbon Tracker (CTI) estimates 30 to 40 percent of Chevron's potential upstream capex through 2035 is outside the Paris Agreement's goal of less than 2 degrees global warming. CTI notes 2.3 trillion of industry-wide upstream projects are inconsistent with global commitments to limit climate change and rapid advances in clean technologies.

While Chevron has recently slowed capital expenditures in the face of lower oil prices, a decade of historic spending on high cost, high carbon assets has made our company vulnerable[1] to further downturns in demand and falling oil prices. Global climate action and low carbon technological advancements make it vital that our company transition its business plan to remain successful in an increasingly decarbonizing economy.

Peers including Total, Shell, and Statoil have already begun investing in clean energy projects including wind, solar, and renewables storage. In 2016, oil major investments in clean energy more than doubled. Total has a stated goal to increase renewable and low carbon businesses to 20 percent of the company's portfolio and made the largest number of investments in clean energy companies in 2016. By 2020, Shell plans to spend approximately 1 billion dollars annually to adapt to the transition toward renewable power and electric cars. Statoil has established a new energy unit to capitalize on the growing renewable energy sector.

RESOLVED: With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

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[1] *See* https://www.asyousow.org/ays_report/unconventional-risks-the-growing-uncertainty-of-oil-investments/

MAF
DEC 12 2017

December 5, 2017

Natasha Lamb
Managing Partner
Arjuna Capital
353 W. Main Street
Durham, NC 27701

Dear Ms. Lamb,

I hereby authorize Arjuna Capital to file a shareholder proposal on my behalf at Chevron Corporation (CVX) regarding Low Carbon Transition Planning.

I am the beneficial owner of more than $2,000 worth of common stock in Chevron Corporation (CVX) that I have held continuously for more than one year. I intend to hold the aforementioned shares of stock through the date of the Company's annual meeting in 2018.

I specifically give Arjuna Capital full authority to deal, on my behalf, with any and all aspects of the aforementioned shareholder proposal. I understand that my name may appear on the corporation's proxy statement as the filer of the aforementioned proposal.

Sincerely,

Adam D. Seitchik

c/o Arjuna Capital
353 W. Main Street
Durham, NC 27701

MAF

DEC 12 2017

charles SCHWAB

December 11, 2017

Account: **** ***

To WHOM IT MAY CONCERN:

Re: ADAM D SEITCHIK/ # ***

This letter is to confirm that Charles Schwab & Co. Inc. as the custodian for the beneficial owner of the above referenced account (# ***), which Arjuna Capital manages and which holds 33 shares of common stock in the Chevron Corporation.(CVX)*

As of December 11, 2017 ADAM D SEITCHIK held, and has held continuously for at least one year, 33 shares of CVX stock.

This letter serves as confirmation that the account holder listed above is the beneficial owner of the above referenced stock.

Sincerely,

Jonnalee Owens

Jonnalee Owens
Relationship Specialist/Advisor Services

JOB#99671478

*** FISMA & OMB Memorandum M-07-16

American Baptist Home Mission Societies
SINCE 1824

American Baptist Home Mission Societies
P.O. Box 851
Valley Forge, PA 19482-0851

800.222.3872
610.768.2000
FAX 610.768.2470

www.abhms.org

MAF

DEC 19 2017

Ms. Mary A. Francis
Corporate Secretary and Chief Governance Officer
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, California 94583-2324

December 12, 2017

Dear Ms. Francis,

As socially responsible investors, the American Baptist Home Mission Society looks for social and financial accountability when investing in corporations. Chevron's existing disclosures prevent shareholders from fully assessing the company's climate risk management strategy and we are concerned that Chevron's business plan is misaligned with the goal of limiting global warming to 2°C. We are co-filing this resolution for a second year to encourage further discussion of Chevron's plan to respond to the low-carbon transition.

The American Baptist Home Mission Society is the beneficial owner of 100 shares of Chevron Corporation stock. The American Baptist Home Mission Society has held stock continually for over one year and intends to retain the requisite number of shares through the date of the Annual Meeting. A letter of verification of ownership is enclosed.

I am hereby authorized to notify you of our intention to file the attached proposal, asking Chevron to issue a report on the company's low-carbon transition plan, for consideration and action by the stockholders at the next annual meeting. I hereby submit it for inclusion in the proxy statement in accordance with rule 14-a-8 of the general rules and regulations of The Securities and Exchange Act of 1934.

As You Sow is co-lead filer on this resolution with Arjuna Capital. I authorize As You Sow/Arjuna to withdraw on my behalf if an agreement is reached. As a co-filer I respectfully request direct communication from the company and to be listed in the proxy. Mary Beth Gallagher of the Tri-State Coalition for Responsible Investment conducts corporate engagement work on our behalf so please also address future communications to 40 S Fullerton Ave, Montclair, NJ 07042; email address: mbgallagher@tricri.org and phone number (973) 509-8800.

We look forward to constructive dialogue with you and your colleagues about these concerns and hope to see Chevron demonstrate leadership on climate change.

Sincerely,

D. L. Moore

David L. Moore, CFA
Director of Investments

Low Carbon Business Model

WHEREAS: A global transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. Major oil companies face unprecedented disruption to their business model driven by global imperatives to limit global warming to well below 2 degrees Celsius and a resulting growth in low- and non-carbon-emitting technologies and energy sources.

Goldman Sachs pegs the low carbon economy at a $600 billion-plus revenue opportunity, estimating that solar PV and wind will add more to the global energy supply between 2015 and 2020 than shale oil production did between 2010 and 2015.

Low carbon market forces, including competition from electric cars, will be a "resoundingly negative" threat to the oil industry. The CEOs of Statoil and Shell have predicted that peak oil demand may occur as early as the 2020s. Citigroup estimates the value of unburnable fossil fuel reserves could reach $100 trillion through 2050. In 2016, Fitch Ratings urged energy companies to plan for "radical change."

A failure to plan for this transition may place investor capital at substantial risk. Carbon Tracker (CTI) estimates 30 to 40 percent of Chevron's potential upstream capex through 2035 is outside the Paris Agreement's goal of less than 2 degrees global warming. CTI notes 2.3 trillion of industry-wide upstream projects are inconsistent with global commitments to limit climate change and rapid advances in clean technologies.

While Chevron has recently slowed capital expenditures in the face of lower oil prices, a decade of historic spending on high cost, high carbon assets has made our company vulnerable[1] to further downturns in demand and falling oil prices. Global climate action and low carbon technological advancements make it vital that our company transition its business plan to remain successful in an increasingly decarbonizing economy.

Peers including Total, Shell, and Statoil have already begun investing in clean energy projects including wind, solar, and renewables storage. In 2016, oil major investments in clean energy more than doubled. Total has a stated goal to increase renewable and low carbon businesses to 20 percent of the company's portfolio and made the largest number of investments in clean energy companies in 2016. By 2020, Shell plans to spend approximately 1 billion dollars annually to adapt to the transition toward renewable power and electric cars. Statoil has established a new energy unit to capitalize on the growing renewable energy sector.

RESOLVED: With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

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[1] *See* https://www.asyousow.org/ays_report/unconventional-risks-the-growing-uncertainty-of-oil-investments/

MAF

DEC 19 2017

BNY MELLON
ASSET SERVICING

December 12, 2017

Mr. David Moore
American Baptist Home Mission Societies
Route 363 & 1st Avenue
P.O. Box 851
Valley Forge, Pa. 19482-0851

Re: American Baptist Home Mission Societies
***

Dear Mr. David Moore,

As of and including December 12, 2017, the American Baptists Home Mission Society held, and has held continuously for at least one year, 100 shares of Chevron Corp. We have been directed by the shareowners to place a hold on this stock at least until the next annual meeting.

This security is currently held by Mellon Trust, Master Custodian, for the American Baptist Home Mission Societies in our nominee name at Depository Trust Company.

Please contact me directly at 412-234-7122 with any questions.

Sincerely,

Jules Selia
Global Client Administration
BNY Mellon

*** FISMA & OMB Memorandum M-07-16

Zevin Asset Management, LLC

PIONEERS IN SOCIALLY RESPONSIBLE INVESTING

December 12, 2017

Via E-Mail

Mary A. Francis
Corporate Secretary
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583-2324

Re: Shareholder Proposal for 2018 Annual Meeting

Dear Ms. Francis:

Enclosed please find our letter co-filing the attached shareholder proposal to be included in the proxy statement of Chevron Corporation ("Chevron" or the "Company") for its 2018 annual meeting of stockholders.

Zevin Asset Management is a socially responsible investment manager which integrates financial and environmental, social, and governance research in making investment decisions on behalf of our clients. We are co-filing the attached proposal asking for a report describing how the Company could adopt its business model to align with a decarbonizing economy, because we remain concerned that the Company's current approach discounts immense market changes and leaves long-term value at risk.

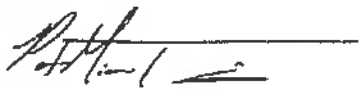
We are co-filing this shareholder resolution on behalf of one of our clients, Patrick M. Flanagan (the Proponent), who has continuously held, for at least one year of the date hereof, 800 shares of the Company's stock which would meet the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended. A letter verifying ownership of Chevron shares from our client's custodian is enclosed.

Zevin Asset Management, LLC has complete discretion over the Proponent's shareholding account at UBS Financial Services which means that we have complete discretion to buy or sell investments as well as submit shareholder proposals at the direction of our client (the Proponent) to companies in the Proponent's portfolio. Let this letter serve as confirmation that the Proponent intends to continue to hold the requisite number of shares through the date of the Company's 2018 annual meeting of stockholders.

Zevin Asset Management, LLC is a co-filer of this proposal. Arjuna Capital and As You Sow are the co-lead-filers of this resolution and can act on our behalf in withdrawal of this resolution. A representative of the lead filers will be present at the stockholder meeting to present the proposal. We would appreciate being copied on any correspondence related to this matter.

Zevin Asset Management, LLC welcomes the opportunity to discuss the proposal with representatives of the Company. Please confirm receipt to me at 617-742-6666 or pat@zevin.com.

Sincerely,



Pat Miguel Tomaino
Associate Director of Socially Responsible Investing
Zevin Asset Management, LLC

Zevin Asset Management, LLC

PIONEERS IN SOCIALLY RESPONSIBLE INVESTING

December 12, 2017

To Whom It May Concern:

Please find attached UBS Financial Services custodial proof of ownership statement of Chevron Corporation (CVX) from Patrick M. Flanagan. Zevin Asset Management, LLC is the investment advisor to Patrick M. Flanagan and co-filed a shareholder resolution on low carbon business model on Patrick M. Flanagan's behalf.

This letter serves as confirmation that Patrick M. Flanagan is the beneficial owner of the above referenced stock.

Sincerely,

Pat Miguel Tomaino
Associate Director of Socially Responsible Investing
Zevin Asset Management, LLC

Suite 1125 • 11 Beacon Street • Boston, MA 02108 • Phone (617) 742-6666 • WEB www.zevin.com • EMAIL invest@zevin.com

Low Carbon Business Model

WHEREAS: A global transition toward a low carbon economy is occurring and trends to reduce global demand for carbon-based energy are accelerating. Major oil companies face unprecedented disruption to their business model driven by global imperatives to limit global warming to well below 2 degrees Celsius and a resulting growth in low- and non-carbon-emitting technologies and energy sources.

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A failure to plan for this transition may place investor capital at substantial risk. Carbon Tracker (CTI) estimates 30 to 40 percent of Chevron's potential upstream capex through 2035 is outside the Paris Agreement's goal of less than 2 degrees global warming. CTI notes 2.3 trillion of industry-wide upstream projects are inconsistent with global commitments to limit climate change and rapid advances in clean technologies.

While Chevron has recently slowed capital expenditures in the face of lower oil prices, a decade of historic spending on high cost, high carbon assets has made our company vulnerable[1] to further downturns in demand and falling oil prices. Global climate action and low carbon technological advancements make it vital that our company transition its business plan to remain successful in an increasingly decarbonizing economy.

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RESOLVED: With board oversight, shareholders request Chevron issue a report (at reasonable cost, omitting proprietary information) describing how the Company could adapt its business model to align with a decarbonizing economy by altering its energy mix to substantially reduce dependence on fossil fuels, including options such as buying, or merging with, companies with assets or technologies in renewable energy, and/or internally expanding its own renewable energy portfolio, as a means to reduce societal greenhouse gas emissions and protect shareholder value.

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[1] *See* https://www.asyousow.org/ays_report/unconventional-risks-the-growing-uncertainty-of-oil-investments/

UBS

UBS Financial Services Inc.
One Post Office Square
Boston, MA 02109
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Fax 855-833-0369
Toll Free 800-225-2385
www.ubs.com/team/kwbwm

Kolton Wood Brown Wealth Management

www.ubs.com

December 12, 2017

To Whom It May Concern:

This is to confirm that DTC participant (number 0221) UBS Financial Services Inc is the custodian for 800 shares of common stock in Chevron (CVX) owned by Patrick M. Flanagan.

We confirm that the above account has beneficial ownership of at least $2,000 in market value of the voting securities of CVX and that such beneficial ownership has continuously existed for one or more years in accordance with rule 14a-8(a)(1) of the Securities Exchange Act of 1934, as amended.

The shares are held at Depository Trust Company under the Nominee name of UBS Financial Services.

This letter serves as confirmation that Patrick M. Flanagan is the beneficial owner of the above referenced stock.

Zevin Asset Management, LLC is the investment advisor to Patrick M. Flanagan and is planning to co-file a shareholder resolution on Patrick M. Flanagan's behalf.

Sincerely,

Kelley A. Bowker

Kelley A. Bowker
The Kolton Wood Brown Group